Differentiation and Collaboration in a Competitive Environment: A Case Study of Ontario Postsecondary Education System

By Hayfa Jafar

Abstract

The essay explores how the dynamics of competition and collaboration among Ontario's higher education institutions contribute to the system's differentiation strategy. The essay implements a content analysis approach to the Strategic Mandate Agreement submissions signed between the Ontario Government and the Ontario Colleges and Universities in 2014. The study finds that the dynamics of competition for students, resources, and prestige are influenced by government policies and decisions, which have created a uniform environment where all institutions respond similarly to challenges and opportunities. As a result, system homogeneity prevails. Moreover, Ontario institutions are very internally diversified; yet, their future directions have a limited impact on the entire system differentiation.

Introduction

It is widely acknowledged that today's higher education environment is becoming more intensely competitive (Horta, Huisman, & Heitor, 2008; Pusser & Marginson, 2013; van Vught, 2008). Higher education, just as with any other business, is no longer safe from competitive forces; in fact, higher education now finds itself subjected to competition for the resources it once took for granted (Harrison-Walker, 2009). van Vught (2008) argues governments expect to increase the contributions by institutions of higher learning to the "knowledge society," as many governments nowadays develop policies of less state control over institutions of higher learning and grant more autonomy to those institutions to achieve that goal. Such policies have led to more competition and more strategic and corporate thinking (Teixeira, Rocha, & Biscaia, 2012). As van Vught (2008) states, "higher education institutions are first and foremost each other's competitors" (p. 168). Higher education institutions compete among themselves for the best students, the best faculty, the largest research contracts, and the highest endowments (van Vught, 2008). Part of the rationale for the promotion of competition among higher education institutions is the need to create more diversified and differentiated systems that are efficient and responsive to various economic and social needs. As discussed in Teixeira et al. (2012), in times of scarce and diminishing resources, markets have been regarded as being more effective than state regulations in promoting "systemic diversity."

As an attempt to transform its postsecondary education, the Ontario government selected differentiation as a primary policy for its education system (Ministry of Training, College, University, 2013). The government aims to build on the well-established strengths of institutions to construct a high quality, and a sustainable postsecondary education system. The Ontario government expects institutions to operate collaboratively where each individual institution is unique, yet, a part of an integrated system. The

Ontario Differentiation Policy Framework aims to align the mandates of Ontario's Colleges and Universities with government priorities. Recognizing the diversity of Ontario's postsecondary institutions, the framework focuses on providing students with high quality, internationally competitive and affordable postsecondary education (Ministry of Training, College, University, 2013). Responding to this exercise, Ontario's higher education institutions submitted their Strategic Mandate Agreements (SMAs) to the government verifying their strategies, actions and aspiration for the period of 2014–2017 (Ministry of Training, College, University, 2014a). The submissions provide rich and valuable information about institutions' strategic plans and directions, highlight institutions' strengths, and synthesize their strategic thinking to reform the entire system through differentiation and collaboration.

This essay is structured into four sections. Section one defines differentiation and diversity and lists the diversity dimensions identified by Birnbaum (1983). Section two describes briefly the Ontario Higher Education system and its diversity. Section three overviews the Colleges' and Universities' submissions as their strategies are mapped out with the diversity dimensions. Section four analyses and discusses the relationship between competition and collaboration with the system differentiation within the context of Ontario's higher education structure and polices.

Differentiation and Competition in Higher Education

There is a wide assumption that a differentiated and diversified system is necessary to cope with the current and future challenges facing higher education institutions. Modern higher education institutions need to be responsive to the needs of a diverse student body, changing labour market and evolving knowledge economy (Huisman, J., 1995).

van Vught (2008) defined differentiation as "a process in which new entities emerge in a system" (p. 151). Diversity, on the other hand, is a term indicating the variety of entities within a system; for instance, the range of program offerings, various teaching methods, or variety of delivery modes. In the context of higher education, the terms differentiation and diversity refer to establishing or maintaining differences between entities of higher education systems that include institutions, programs, or sectors (Huisman, 1995). Birnbaum (1983) distinguishes between internal and external diversity. Internal diversity is differentiation of mission, program, clienteles, instructional methodology or delivery system, structures, or other characteristics within a single institution. On the other hand, external diversity refers to differences between institutions. Birnbaum (1983) identified seven diversity categories:

- Programmatic: institutions can be distinguished based on degree level, degree area, comprehensiveness, mission, and emphasis
- Procedural: related to delivery systems, student policies, and administrative processes
- Systemic: refers to institutional type, size and control
- Constituently: related to the diversity of students, faculty and staff
- Reputational: measured by undergraduate selectivity or the quality of graduate programs as evaluated by peers

- Values and climate: related to institutional climates and cultures
- Structural: refers to the legal authority within the system such as public versus private, an institution as a single unit or as an integrated part of a multi-campus system

A system of higher education that has greater diversity will do more to facilitate accessibility than one with less diversity. A diverse system can accommodate both elite and mass higher education (Birnbaum, 1983). Birnbaum adds that a higher education system must balance these two systems as without mass education, a system might not be socially or politically viable but without elite education, the system will not facilitate the development of the highest levels of excellence (Birnbaum, 1983). Morphew (2009) suggested cost as a benefit for system diversity, arguing that a more diverse system of institutions is likely to be more cost-effective at producing the kinds of outputs that a society needs and values than less diverse systems. For example, research universities educate students at a cost much higher than college or undergraduate universities. Skolnik (1986) identified two potentially adverse consequences of diversity. First, diversity could promote inequality in the nature of learning experience and future options for further education and employment opportunities between different systems. Second, the relationship between diversity and the maintenance of distinct subcultures could lead to specialized institutions that would provide limited interaction with other disciplines.

In order to provide an overview of the SMA submissions and to develop a foundation for this analysis, most strategies presented in the submissions were coded and mapped out to fall within the seven categories of diversity identified by Birnbaum (1983). The summary of this process is presented in table 2.

Ontario Higher Education System

Ontario's public Higher Education is a binary system that is comprised of a college sector and a university sector. The public assisted colleges and universities are part of the entire postsecondary education system that comprises the following four components: (1) Universities (2) Colleges of Applied Arts and Technology (CAATs) (3) Apprenticeships and (4) Private Career colleges (Fallis, 2013). In this essay, the focus will be on higher education system, as part of the Postsecondary Education sector, which refers to the publically assisted colleges and universities.

The 20 publicly assisted universities are members of the Council of Ontario Universities and the 24 Colleges of Applied Arts and Technology (CAATs) are members of Colleges Ontario. Out of the 20 universities, 18 are autonomous, not-for-profit corporations that have their own establishing Act. These Acts give the university the authority to grant degrees, including graduate degrees, in all branches of learning. There are differences in program mix among institutions and this is the main type of differentiation within the university sector (Jones & Skolnik, 2009). Most universities have broad mission statements and objectives that lead to advancement of learning and positive social and developmental impact on the members of the university and society. A few universities have additional aspects in their mission statement; especially the most recently established or most recently designated universities. For example, Algoma University was

assigned a special mission to serve the needs of the Algoma region and Northern Ontario. Nipissing University also enjoyed a special mission to be a teaching-oriented university primarily at the undergraduate level, with a particular focus on the needs of Northern Ontario (Jones & Skolnik, 2009).

Within the college sector, each of the 24 colleges has the same mandate: to deliver certificates, diploma programs, and apprenticeship programs suited to the regional labour market, and more broadly, to contribute to the social and economic development of the local community (Jones, 1997). Four colleges were established with special mandates to serve the north and/or Franco-Ontarians. All colleges have a wide range of program offerings, yet all have programs in Business, Applied Arts, Health, and Information Technology (Jones & Skolnik, 2009). Under the Ontario Colleges of Applied Arts and Technology Act 2002, the colleges obtained the authority to award bachelor's degrees in applied fields. With ministerial consent, the college can offer the applied bachelor's degree programs. Colleges may also obtain the designation of Institute of Technology and Advanced Learning (ITAL), which allows them to offer up to 15 per cent of their programming in bachelor's degree programs (the limit for other colleges is 5 per cent) (Fallis, 2013).

An important feature of Ontario's higher education system is that the universities and colleges differ by size (see Table 1). The differentiation by size is attributed to the geographical area of the institution rather than to the system design (Skolnik, 2013). However, the geographical distribution of the Ontario colleges and universities could limit system diversity in terms of mix of programs offered (Jones, 1996). Generally, student body, language, values and culture, quality of teaching and learning processes, and reputation, all add to the entire system's differentiation. Ontario higher education universities are differentiated by their comprehensiveness, which is related to the range of programs that each university offers (Weingarten, Hicks, Jonker, & Liu, 2013).

Table 1: Full time enrolment with universities and colleges classification

Full time enrolment			
Universities 2011		**Colleges 2011/2012**	
Toronto	67,271	Seneca	17,240
Western	32,078	George Brown	15,446
Ottawa	31,789	Humber	18,486
McMaster	24,328	Sheridan	15,012
Queen's	19,576	Conestoga	3,123
Number of participants		**Multi-purpose**	
York	44,325	Algonquin	15,324
Waterloo	30,501	Fanshawe	13,191
Carleton	21,438	Mohawk	10,016
Guelph	20,730	Centennial	9,923

Windsor	13,181	Georgian	9,192
Primarily Undergraduate		St. Clair	7,752
Ryerson	20,775	Durham	8,252
Brock	15,321	Niagara	7,840
Laurier	15,382	Fleming	6,370
Lakehead	6,999	St. Lawrence	5,000
UOIT	7,7521	La Cité Collégiale	4,339
Toronto	67,271	Seneca	17,240
Trent	6,114	Cambrian	3,338
Laurentian	6,741	Loyalist	2,625
Nipissing	3,910	Confederation	8,375
Special Purpose		Canadore	2,621
OCAD	3,328	Lambton	2,443
Algoma	921	Sault	2,155
		College Boreal	1,366
		Northern	1,180

Source: Fallis 2013, page 48, Weingarten et al (2013), Hicks et al (2013)

The most visible type of institutional differentiation in Ontario's higher education is the partitioning of the system into a binary structure consisting of two sectors – universities and colleges. In addition, institutions are different by mix of programs. As presented in previous paragraphs, Ontario Colleges and Universities are differentiated along various diversity dimensions. However, compared with other systems in other Canadian provinces or internationally, the current design of Ontario's Higher Education, which dates back to the late 1960s, has relatively little institutional differentiation.

Overview of Strategic Mandate Agreement Submissions

With the aim to reform the Ontario higher education system, the Ontario government asked each Ontario postsecondary institution to articulate an institutional mandate statement identifying its distinctive strengths or aspirations and to identify key objectives aligned with that aspiration. The Strategic Mandate Agreement (SMA) exercise was intended to promote the government's stated goals of greater differentiation of the Ontario postsecondary education. This exercise attempted to communicate with the institutions and to elicit their thinking about innovation and reforms that would support higher quality learning (Higher Education Quality Council of Ontario, 2013). The government aimed to transform the system to be more productive, globally competitive, cost efficient, and provide high, sustainable, quality education for the students. A peer review Panel has evaluated the submissions and has identified a few dominant themes in the SMAs of Colleges and Universities; these are: (1) Growth; (2) Inter-institutional collaboration; (3) Quality learning and improving the

undergraduate experience; (4) Online and blended learning; and (5) Differentiation. The Panel review concluded that the SMAs demonstrate a tendency to greater homogenization of the system based on preferences within the academy for research and advanced degrees, rather than greater institutional differentiation.

In order to provide an overview of the SMA submissions and to develop a foundation for this analysis, most strategies presented in the submissions were coded and mapped out to fall within the seven categories of diversity identified by Birnbaum (1983). The outcome of the mapping process is presented in table 2.

Table 2: High-level strategies by Ontario Colleges and Universities*

Diversity Dimension	College Sector	University Sector
Programmatic		
	Offer Associate Degree / Three-year degrees	Offer three-year degree (BA in interdisciplinary studies)
	Expand degree granting /offerings	Expand Master's and PhD Programs/ seats
	Expand Graduate Certificates	Expand Program offerings
	Develop New programs / accelerated programs	Develop new Unique Programs
	Expand online courses and programs	Develop program in aboriginal studies
	Growing Applied Research, Innovation, and Entrepreneurship	Alternative Credential options /Accelerated degree (Flexible option)
		Expand Entrepreneurship programs / Business start-up and technology incubator
		Expand French - Language and Bilingual Programs
		Expand online courses and programs / MOOCS
		Expand Research Activities
		Offer Practice- Based PhD program
Procedural		

Applied international experience	International Experience / Service Learning
Applied research projects for students	Applied Research projects for undergraduate programs
Blended learning models	Bridging internationally educated professionals to labor market
Co-op Learning Opportunity	Research-Based course -Undergraduate curriculum
Creative problem solving learning / Creative thinking competencies	Technology - Enabled Learning
Cross-disciplinary undergraduate programming	Co-curricular Record, student portfolio
Entrepreneurship learning	Entrepreneurship Learning
Co-curricular Record, student portfolio	Indigenous Content in Curricula
Flexible and alternate delivery options	Intensive Delivery Mode
Internationalization of curriculum	Online Learning
Leadership development , social innovation, service learning	New delivery models
Technology - Enabled Learning	Outcomes- based Learning strategies
Develop Indigenous Education plan	Problem Solving Learning
	Team-based learning
	Add new school

Constituential (Students/Faculty/Staff)

Indigenous Students	Indigenous Students
First Generation Students	First Generation Students
Francophiles in GTA	Francophone students
French - Language	International students

	students / English - Language students	
	International students	Mature students
	Mature students	Students with Disabilities
	Weekend college student	Outreach Youth and Adult
	Women in the electrical skilled trades and Construction	Indigenous Faculty

Structural

	Change institution type	

Reputation & Competitive

	Institutional type - Recognition	Attract international researchers and Graduates Students
	Stand-alone Bachelor of Science degree in Nursing	High quality students
	Regional Economic development	International prominence
	Support teaching excellence	Recruit and Retain excellent faculty
	Faculty professional development	Regional Economic development
	Improve graduate employability	Improve NSSE outcomes
	Improve program quality and other KPI indicators	
	Program modernization	

Collaboration & Joint Programming

	Business and Industry Collaboration & partnership	Community Partnership
	Collaboration - Campus	Intra-institutional Collaboration -Assess Learning Outcomes
	Community Partnership	Business and Industry Collaboration & Partnership
	International Partner - Business Opportunities	Intra- institutional collaboration - Student pathways

Credit Transfer	Collaborative & Joint programming
Student pathways	Collaboration in Research and Commercialization
Student Service	Intra-institutional Collaboration - Curriculum development & improvement
Online & hybrid learning options	International Collaboration - Student, Faculty, Research
Curriculum development & improvement	
Pathways for women to the Labour market	
College - University campus	

* Mapped out by the author based on Ontario colleges' strategic mandate agreements submissions

General observation from the submissions indicates that *programmatic dimension* encompasses the large number of institutions' strategies. This observation reflects that growth is the strategic direction for the vast majority of institutions. Almost all institutions aim to grow mainly through expanding their program offerings, developing new programs, and expand online programs. Driven by students' demands for degrees, some colleges are expanding their degree offerings and granting and developing more graduate certificates. Both colleges and universities are focusing on expanding their research activities and on increase entrepreneurship, innovation and business incubators. The stand out growth strategy presented in the submissions is to add new school to their structure: (1) School of Government – Ottawa University (2) School of Medicine – York University and (3) School of Civic Engagement and Development Studies – University of Guelph (Ministry of Training, College and Universities, 2014c).

The procedural dimension includes a large number of strategies as well. These strategies reflect the visible and massive effort of colleges and universities to improve the quality of their programs, particularly undergraduate programs, and their aims to implement various delivery models to address the needs of diverse student population. A large number of institutions, in both sectors, are embedding experiential learning and service learning in most of their programs. Furthermore, many institutions expressed their plan to utilize more technology-enabled learning in their delivery modes.

The strategies coded in the *constituential diversity dimension* reflect the diversity of current students on campuses. The dominant strategy in this dimension was to increase international students. Many institutions

develop specific plans to outreach and recruit more aboriginal and underrepresented students. A few colleges and universities are aiming to outreach communities for specific groups of students such as women, mature, youth, adult and to build programs and delivery modes that are more suitable for these groups of clienteles. The large number of strategies included in constituential dimension reflects that growth as a main strategic direction for the majority of institutions.

The only strategy included in the structural diversity dimension was coded as 'change in institution type'. For instance, Sheridan College wants to leave the college sector and become a university. Most of its strategic growth plans come from its degree programs. This internal structural strategy change will not alter the structure of the system as it is now. However, it might fill some of the gaps in the system for more undergraduate education and polytechnic education.

Reputation diversity is hard to measure and it is difficult to define precisely the factors that represent it. A few studies used ranking or quality evaluation outcomes by peers as a way to measure this dimension (Pusser & Marginson, 2013). Some strategies in the SMAs reflect the institutions' intention to enhance or build their reputation around the diversity dimension. These strategies are coded in the reputation dimension. Universities plan to attract international researchers and graduates students, to attract high quality students, to increase international prominence and to improve the outcomes of their National Survey of Student Engagement (NSSE) (Ministry of Training, Colleges and Universities, 2014c). By contrast, colleges are looking for more recognition, as they want to be officially differentiated by their areas of strength; for instance, one college wants to be a "differentiated provider of postsecondary education and training" (Ministry of Training, Colleges and Universities, 2014b).

The large number of strategies in the collaboration and partnership theme show the significant number of intra-institutional collaborations and partnerships agreements among colleges and universities. Institutions are collaborating and building alliances or consortiums in a wide range of areas such as student pathways, student services, curriculum development, college-university shared campus, and shared resources. Other kinds of collaboration and partnerships with the industry, business and community were also presented in the SMAs.

This high-level analysis for the colleges' and universities' submissions reflects the following main strategic directions for Ontario institutions:

- Growth
- Improvement of the quality of programs and of students' experience
- Enhance institution's competitive advantages
- Expand Online Learning
- Utilize Technology-enabled Learning
- Expand intra-institutional collaboration and partnership

This analysis shows that the Ontario higher education system is diversified along programmatic, procedural and constituential dimensions.

The program areas of growth by each institution are reasonably diverse and cover a wide range of fields.

There is limited information and data about the private sector and their role within the entire system and their contribution to the differentiation initiative of Ontario. A recent study by HEQCO showed that private career colleges serve about seven per cent of the province's postsecondary students. Furthermore, there has been no system-wide focus on movement of students between private career colleges and public colleges. The few partnerships that exist are at the institutional level (Pizarro & Hicks, 2014).

Competition and Differentiation - Analysis and Discussion

One of the trends that force change in higher education comes from a new level of competition and market. Higher education institutions compete for students, faculty, research grants, revenue, rankings and prestige (van Vught, 2008). The experiences of many higher education systems, where the market competition is strong, suggest that competition has encouraged similarities among institutions rather than diversity, not as policy makers had anticipated (Codling & Meek, 2006).

As presented in previous sections, Ontario institutions are diversified internally along programmatic, procedural and constituents dimensions. The mission for a particular institution covers various functions such as undergraduate and graduate teaching, research, entrepreneurial activities, start-up business, and technology incubators. A very few number of colleges and universities are even expanding their missions to include new functions, which they had never experienced before. Most of the changes leading to the internal diversity are responses to political, social, economic, and demographic factors in the external environment. Some of these factors create a competitive environment that might stimulate institutions to respond similarly. For example, under the pressure of demographic changes and diminishing enrolment, institutions aim to increase in size and begin to diversify programs and clienteles. And to stay competitive, they need to respond to the interests of their existing student body. Increasingly, they may "come to share the internal diversification of the multiversity" (Birnbaum, 1983, p. 38). As presented in the SMAs, almost all colleges and universities plan to grow by implementing various strategies. Meek (2000) stated that in terms of extremes, there are two possible institutional responses to increased market competition: institutions can diversify in an attempt to capture a specific market niche, or they can imitate the activities of their successful competitors. Two examples that illustrate Meek's point about imitation from the Ontario system is the strategic direction for Algoma University to offer Master's Degree and the aspiration of OCAD University to offer a practice-based PhD with the University College Dublin. Yet, their mandate is to offer undergraduate learning. This trend is depicted by Birnbaum (1983), where institutions with previously distinctive characteristics become more internally diversified; this will result in them becoming more alike and less different from each other. However, the OCAD aspiration could add to the programmatic diversity, if a similar program is not offered by other institutions and it could represent a market niche that has not been covered.

Codling and Meek (2006) referred to a study about diversity among United States higher education institutions. The study discussed the

relationship between the tendency for systemic diversity and the flow of resources. The study showed that during periods of rapid growth and high student demand, new, less prestigious institutions tend to have both the resources and the opportunity to develop new systems that duplicate those of more successful and highly regarded institutions so that these less prestigious ones can compete with their competitors for best staff and students. As a result, the higher education system drifts toward conformity. By contrast, during times of economic stringency and low demands, institutions are faced with survival, and intense competition occurs as institutions compete for a share of a diminished market. Under these circumstances, institutions are forced to innovate and seek new markets in order to survive, and thus hard times encourage diversity (Codling & Meek, 2006). In Ontario's higher education system, during the prosperity and high student demand in the 1960s, the college system was established and a large number of new programs and new credential types were developed. The college sector was established to develop a differentiated binary system, as other related policies such as the institutions mandate, the funding, and the granting are all government issues. This situation reflects the significance of government policies in shaping the higher education system.

One of the main historical decisions in designing Ontario's system, which contributed to the limitation of the institutional differentiation, was the universities' mandate. The publicly assisted universities have a complete autonomy in deciding on their purpose, mission and objectives. Most universities, even primarily teaching universities, aspire to be research universities. Clark et al. (2009) stated that the decision that all Ontario universities would be research universities was not made by the government; rather, it was the result of the government allowing each publicly funded university to determine is own mission. The government has given each university a broad charter and the freedom that enables it to shape its mission and priorities as it wishes. Within this agenda, each university has made the decision to be a research university.

The other scenario shown by Codling and Meek (2006) is related to the circumstances of diminishing of financial resources and expected decline in student demand; these institutions try to imitate the successful ones and move toward more homogeneity. In the Ontario college sector, there are five leaders in degree granting and many other colleges are inspired to expand their degree granting and offerings. Colleges put massive strategies to increase their presence in applied research through large number of centres of excellence, industry and business collaboration, and include applied research projects for students in most of their programs. Moreover, they are developing large numbers of industry partnerships and collaboration. In order to compete or to stay competitive, many colleges use quality improvement and procedural diversity as their strategic directions to enhance their reputation. All these strategies reflect imitation behaviour by colleges to pursue the steps of successful universities. The strategic direction of colleges for applied degrees could be interpreted as well within the context of Birnbaum's (1983) argument that during a period of growth, colleges adopted and developed various innovative strategies such as the infusion of science and practical studies in the curriculum. He explained that these strategies permit institutions to survive in a competitive environment and stated that because new institutions could not compete on

the basis of prestige with older established ones, they were forced to develop new missions and constituencies. Reflect again on the Sheridan aspiration to be a university: about 14 per cent of its students are in degree programs. The college is developing curriculum that embeds creativity and creative learning outcomes into general education electives and breadth courses. Sheridan has four centres for excellence dedicated to applied research. Such strategies could blur the distinction between colleges and universities unless mitigated by a strong policy and regulation that limits institutional uniformity or academic drift.

Competition is a very complex issue and there are many interrelated factors that can create a highly competitive market, among them are government policies and funding. Policies and funding mechanisms can create a uniform, competitive environment where institutions can behave or respond similarly and become more alike and less different from each other. As van Vught (2008) stated in a proposition, "the larger the uniformity of the environmental conditions of higher education, the lower the level of diversity of the higher education system" (p. 162). Within the context of government policies, Codling and Meek (2006) argued that many higher education systems and the institutions within them have evolved, particularly over the last two decades, "in the absence of effective policy, not because of it" (p. 37), which leads to drift towards institutional homogeneity rather than greater differentiation between institutions.

Another factor that could have an impact on system differentiation is the funding mechanism. The comprehensive operating revenue for Ontario universities in 2008 came from three main sources: operating grants from the province (34 per cent), tuition (24 per cent), and sponsored research income (26 per cent); the remainder of the revenue came from many small resources (Fallis, 2013). This structure of funding creates a uniform environment that encourages more enrolment and particularly more research. The funding for colleges is very similar and based on student enrolment. The funding regime affects the ability of universities and colleges to respond to public demands as well as their strategies. A primary approach by which universities have accommodated the rising cost per student and the pattern of tuition fees was to enrol more students (Fallis, 2013). This situation could explain the intended growth by all colleges and universities in terms of more student enrolment and more engagement in research activities.

Marginson (2006) argues that ranking produces competition and vertical hierarchy with research-intensive universities in the top and they operate with strategies to maintain their prestige. He states that in the lower levels of the hierarchy, the laws of competition are different; these institutions must struggle to fill their places and secure revenues. They strive to expand their numbers and their reputations but even when success is achieved, they remain in the game of the competition. These institutions do not have the resources to build a major research effort; teaching is their core business. To test this argument within the context of Ontario universities, the strategies, as presented in the institutional SMAs, for comprehensive universities compared to primarily undergraduate universities were examined. The analysis shows that the comprehensive research universities are more inclined to maintain their level of activities and reputation. Their strategic focus is on more research activities, more

entrepreneurial activities and partnerships with industries, expanding in start-up businesses and incubators. Within the procedural diversity dimension, their emphasis turns to applied research projects in undergraduate programs and to expanding entrepreneurship learning. They exhibit limited intra-institutional collaboration for student pathways and credit transfer. By contrast, undergraduate universities attempt to expand Master's and PhD programs and seats, expand research activities, and develop transdisciplinary research hubs. Moreover, primarily undergraduate universities try to enhance their reputation and their competitive advantage by attracting international researchers and graduate students, high quality students and faculty, and they aim to secure and retain highly talented faculty. This analysis shows some consistency with Marginson's (2006) argument. However, further in-depth analysis that includes more data would help to provide solid evidence of this kind of competition dynamic and its relationship with differentiation.

Collaboration and Differentiation

The last section in this analysis discusses the dynamic of collaboration and its relationship with system diversity. Little research was available on the effect of collaboration and partnership between institutions on system diversity. Jones (1996) suggested that within the context of Canadian higher education, the co-operation and sharing between universities has promoted isomorphic tendencies, "as successful innovation at one institution is often adopted by others" (Jones, 1996, p. 86). Codling and Meek (2006) put a proposition summarizing the impact of co-operation on systemic diversity, stated as "the greater the co-operative activity between institutions within a higher education system, the greater the potential for institutional convergence" (p. 46). The analysis shows a significant number of intra-institutional collaborations and partnerships that facilitated student mobility and pathways.

Conclusion

The most visible type of institutional differentiation in Ontario's higher education is the partitioning of the system into a binary structure consisting of two sectors: universities and colleges. Ontario's institutions are internally diversified. However, their strategies for the next few years, as presented in their Strategic Mandate Agreement submissions, do not guarantee greater system differentiation. There are two main historical decisions in designing Ontario's higher education system, which contribute to the limitation of system differentiation. First is the universities' mandate. As an autonomous, publicly-assisted entity, universities have complete independence in deciding their purpose, mission and objectives. Most universities aspire to be research universities. The second is the funding mechanism that encourages increased student enrolments and focuses on research. These decisions and policies have created a uniform environment where all institutions respond similarly to challenges and opportunities that resulted in a limited innovation and creativity in transforming the system to a more competitive and productive one.

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Hayfa Jafar, is a PhD candidate at the Ontario Institute for Studies in Education at the University of Toronto. She can be reached at hayfa.jafar@mail.utoronto.ca

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